## OPEN MEETING AGENDA ITEM



### BEFORE THE ARIZONA CORPORATION CO.

**COMMISSIONERS** 

SUSAN BITTER-SMITH- Chairman **BOB STUMP** 

4 **BOB BURNS DOUG LITTLE** 

5 TOM FORESE

6

7

8

1

2

IN THE MATTER OF THE APPLICATION OF ARIZONA WATER COMPANY, AN ARIZONA CORPORATION. FOR A DETERMINATION OF THE FAIR VALUE OF ITS UTILITY PLANT

AND PROPERTY AND FOR ADJUSTMENTS TO ITS RATES AND CHARGES FOR UTILITY

SERVICE FURNISHED BY ITS EASTERN GROUP AND FOR CERTAIN RELATED APPROVALS.

DOCKET NO. W-01445A-11-0310

NOTICE OF ERRATA CORRECTING STAFF PROPOSED ORDER STAYING **DECISION NO. 74590** 

12

13

14

15

16

17

18

19

20

21

22

10

11

On September 17, 2015, Staff filed a proposed order that would stay the operation of the SIB mechanism approved by Decision No. 73938 (June 27, 2013) as affirmed by Decision No. 74463 (April 22, 2014) pending the outcome of further litigation. Staff has been made aware of various typographical errors in the proposed order that incorrectly reference Decision No. 73928 rather than 73938. The incorrect reference to Decision No. 73928 occurs in Finding of Fact 1. Staff hereby provides, as an errata, a revised Staff proposed order that corrects the references to Commission orders.

It is noted that the attached proposed order is not an order of the Commission. Exceptions to the proposed order may be filed in the docket by September 28, 2015.

RESPECTFULLY SUBMITTED this 24<sup>th</sup> day of September, 2015.

23

24

25

26

27

28

Arizona Corporation Commission DOCKETED

SEP 2 4 2015

Bridget A. Mumphrey, Staff Attorney Wesley C. Van Cleve, Staff Attorney

Legal Division

Arizona Corporation Commission 1200 West Washington Street Phoenix, Arizona 85007 (602) 542-3402

DOCKETED BY

RAU

2	Original and thirteen (13) copies of the foregoing were filed this 24 <sup>th</sup> day of September, 2015, with:	
3	Docket Control	
4	Arizona Corporation Commission 1200 West Washington Street	
5	Phoenix, Arizona 85007	
6	Copies of the foregoing were emailed/	Gary Yaquinto
7	and/or mailed this 24 <sup>th</sup> day of September, 2015, to:	Arizona Investment Council 2100 N. Central Ave., Suite 210 Phoenix, AZ 85004
8	Steven A. Hirsch	·
9	Bryan Cave, LLP Two North Central Avenue, Suite 2200	Michael W. Patten Timothy J. Sabo
10	Phoenix, AZ 85004 Attorneys for Arizona Water Company	Snell & Wilmer 400 E. Van Buren St., Suite1900 Phoenix, AZ 85004-2202
11	Daniel W. Pozefsky	Attorneys for Global Water
12	Residential Utility Consumer Office 1110 West Washington Street, Suite 220 Phoenix, AZ 85007	Ron Fleming Global Water
13 14	Jay L. Shapiro	21410 N. 19th Ave., Suite 201 Phoenix, AZ 85027
15	Shapiro Law Firm 1819 E. Morten Ave., Suite 280 Phoenix, AZ 85020	Garry D. Hays The Law Offices of Garry D. Hays, P.C.
16	Attorneys for Liberty Utilities	1702 E. Highland Avenue, Suite 204 Phoenix, AZ 85016
17	Todd Wiley Liberty Utilities	Ray Jones
18	12725 W. Indian School Rd., Suite D101 Avondale, AZ 85392	Water Utility Association of Arizona 916 W. Adams, Suite 3 Phoenix, AZ 85007
19	Sheryl Hubbard	,
20	EPCOR Water Arizona, Inc. 2355 W. Pinnacle Peak Rd., Suite 300 Phoenix AZ 85027	Kathie Wyatt 1940 N. Monterey Drive Apache Junction, AZ 85120
21	Michael Hallam	•
22	Lewis Roca Rothgerber 201 E. Washington St., Suite 1200	
23 24	Phoenix, AZ 85004 Attorney for EPCOR Water	Proseann Chorio
25	Megan Grabel	
26	Osborn Maledon 2929 North Central Avenue	
	Twenty-First Floor Phoenix, AZ 85012-2793	
27	Attorneye for Arizona Investment Council	

DOCKET NO. W-01445A-11-0310

**DECISION NO.** 

#### BEFORE THE ARIZONA CORPORATION COMMISSION

2

4

1

COMMISSIONERS 3

SUSAN BITTER SMITH - CHAIRMAN

IN THE MATTER OF THE APPLICATION

AND CHARGES FOR UTILITY SERVICE

FURNISHED BY ITS EASTERN GROUP

AND FOR CERTAIN RELATED

OF ARIZONA WATER COMPANY, AN

**BOB STUMP** 

**BOB BURNS** 

DOUG LITTLE 5

TOM FORESE

Open Meeting

October 20, 2015

6

7

ARIZONA CORPORATION, FOR A 8 DETERMINATION OF THE FAIR VALUE OF ITS UTILITY PLANT AND PROPERTY

AND FOR ADJUSTMENTS TO ITS RATES

10

11

APPROVALS.

12

13

Phoenix, Arizona 14

15

16

BY THE COMMISSION:

17

18

19

20

21 22

23

24

25

26

27

28

FINDINGS OF FACT

1. On August 4, 2014, the Arizona Corporation Commission ("Commission") issued Decision No. 74590. Among other things, Decision No. 74590 approved Arizona Water Company's ("Company") implementation of a system improvement benefits ("SIB") surcharge consistent with the Commission's approval of a SIB mechanism for the Company in Decision No. 73938 (June 27, 2013). On August 18, 2015, the Arizona Court of Appeals issued an opinion in Case No. 1 CA-CC 13-0002 which set aside the Commission's approval of the SIB mechanism approved by Decision No. 73938.

In light of the Court's ruling, and in balancing the interests that are implicated in this 2. matter, the Commission finds it is reasonable and in the public interest to stay collection of the surcharge approved by Decision No. 74590 pending the outcome of further court proceedings.

DECISION NO.

# 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25

### **CONCLUSIONS OF LAW**

- Arizona Water Company is a public service corporation within the meaning of Article 1. XV of the Arizona Constitution.
- 2. The Commission has jurisdiction over Arizona Water Company, and the subject matter of this filing.
- 3. It is in the public interest to stay the collection of of the System Improvement Benefits Mechanism surcharge approved by Decision No. 74590 pending the outcome of further court proceedings and until further order of the Commission.

### **ORDER**

IT IS THEREFORE ORDERED that the System Improvement Benefit Mechanism surcharge approved by Decision No. 74590, is hereby stayed until further order of the Commission.

IT IS FURTHER ORDERED that all compliance requirements specifically associated with operation of the System Improvement Benefits Mechanism are stayed until further order of the Commission.

IT IS FURTHER ORDERED that all other aspects of Decision No. 74590 shall remain in effect.

IT IS FURTHER ORDERED that this Decision shall become effective immediately.

26

27

### BY THE ORDER OF THE ARIZONA CORPORATION COMMISSION

2			
3	CHAIRMAN	COMMISSIONER	
4			
5			
6	COMMISSIONER	COMMISSIONER	COMMISSIONER
7		IN WITNESS WHEREOF,	I, JODI JERICH, Executive
8		IN WITNESS WHEREOF, Director of the Arizona Cohereunto, set my hand and ca Commission to be affixed at the thisday of	aused the official seal of this
9		thisday of	, 2015.
10			
11			
12	1	JODI JERICH EXECUTIVE DIRECTOR	
13		LALCOTTVL DIRECTOR	
14	DISSENT:		
15	DISSENT:		
16			
17			
18			
19			
20			
21			
22			
23 24			
2 <del>4</del> 25			
26			
20 27			
28			
		3	DECISION NO.

1	SERVICE LIST FOR: Arizona Water Company DOCKET NO. W-01445A-11-0310	
2	Steven A. Hirsch	Gary Yaquinto
4	Bryan Cave, LLP Two North Central Avenue, Suite 2200 Phoenix, AZ 85004	Arizona Investment Council 2100 N. Central Ave., Suite 210 Phoenix, AZ 85004
5	Attorneys for Arizona Water Company	Michael W. Patten
6	Daniel W. Pozefsky Residential Utility Consumer Office	Timothy J. Sabo Snell & Wilmer
7	1110 West Washington Street, Suite 220 Phoenix, AZ 85007	400 E. Van Buren St., Suite1900 Phoenix, AZ 85004-2202
8	Jay L. Shapiro	Attorneys for Global Water
9	Shapiro Law Firm 1819 E. Morten Ave.	Ron Fleming Global Water
10	Suite 280 Phoenix, AZ 85020	21410 N. 19th Ave., Suite 201 Phoenix, AZ 85027
11	Attorneys for Liberty Utilities	Garry D. Hays
12	Todd Wiley Liberty Utilities	The Law Offices of Garry D. Hays, P.C. 1702 E. Highland Avenue, Suite 204
13	12725 W. Indian School Rd., Suite D101 Avondale, AZ 85392	Phoenix, AZ 85016
14	Sheryl Hubbard	Ray Jones Water Utility Association of Arizona
15	EPCOR Water Arizona, Inc. 2355 W. Pinnacle Peak Rd., Suite 300 Phoenix AZ 85027	916 W. Adams, Suite 3 Phoenix, AZ 85007
16	Michael Hallam	Kathie Wyatt
17	Lewis Roca Rothgerber 201 E. Washington St., Suite 1200	1940 N. Monterey Drive Apache Junction, AZ 85120
18	Phoenix, AZ 85004 Attorney for EPCOR Water	Mr. Thomas Broderick Director, Utilities Division
19	Megan Grabel	Arizona Corporation Commission 1200 West Washington Street
20	Osborn Maledon 2929 North Central Avenue	Phoenix, Arizona 85007
21	Twenty-First Floor Phoenix, AZ 85012-2793	Ms. Janice M. Alward Chief Counsel, Legal Division
22	Attorneys for Arizona Investment Council	Arizona Corporation Commission 1200 West Washington Street
23		Phoenix, Arizona 85007
24		
25		
26		
27		